



# Logistics Transformation



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**Marine Corps Materiel Command**



# DoD Logistics

- \$80 Billion Annual Expenditure
  - \$219M/Day
  - \$9M/Hr
  - \$152K/Min
  - \$2536/Sec
- 100,000 + Suppliers
- 14 Inventory Control Points
- 22 Maintenance Depots
- 22 Distribution Depots
- 30,000 + Customers

Source: Logistics Management Institute, Supply Chain Management:  
A Recommended Performance Measurement Scorecard, June 1999

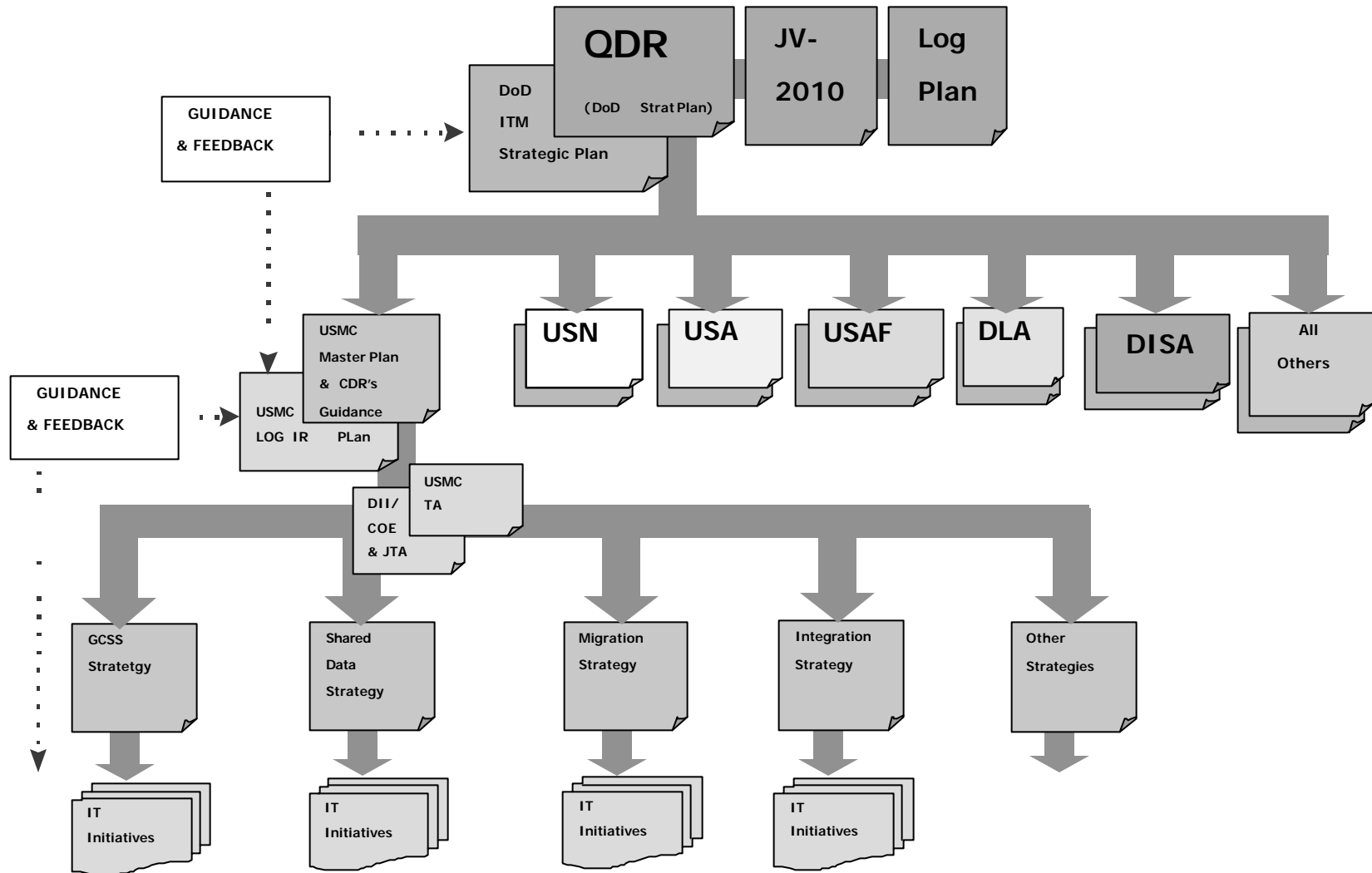
# If It Ain't Broke?

- A Lot Of Infrastructure and \$ Required
- Heavy and Slow to Get to the Fight

But - It Works!!

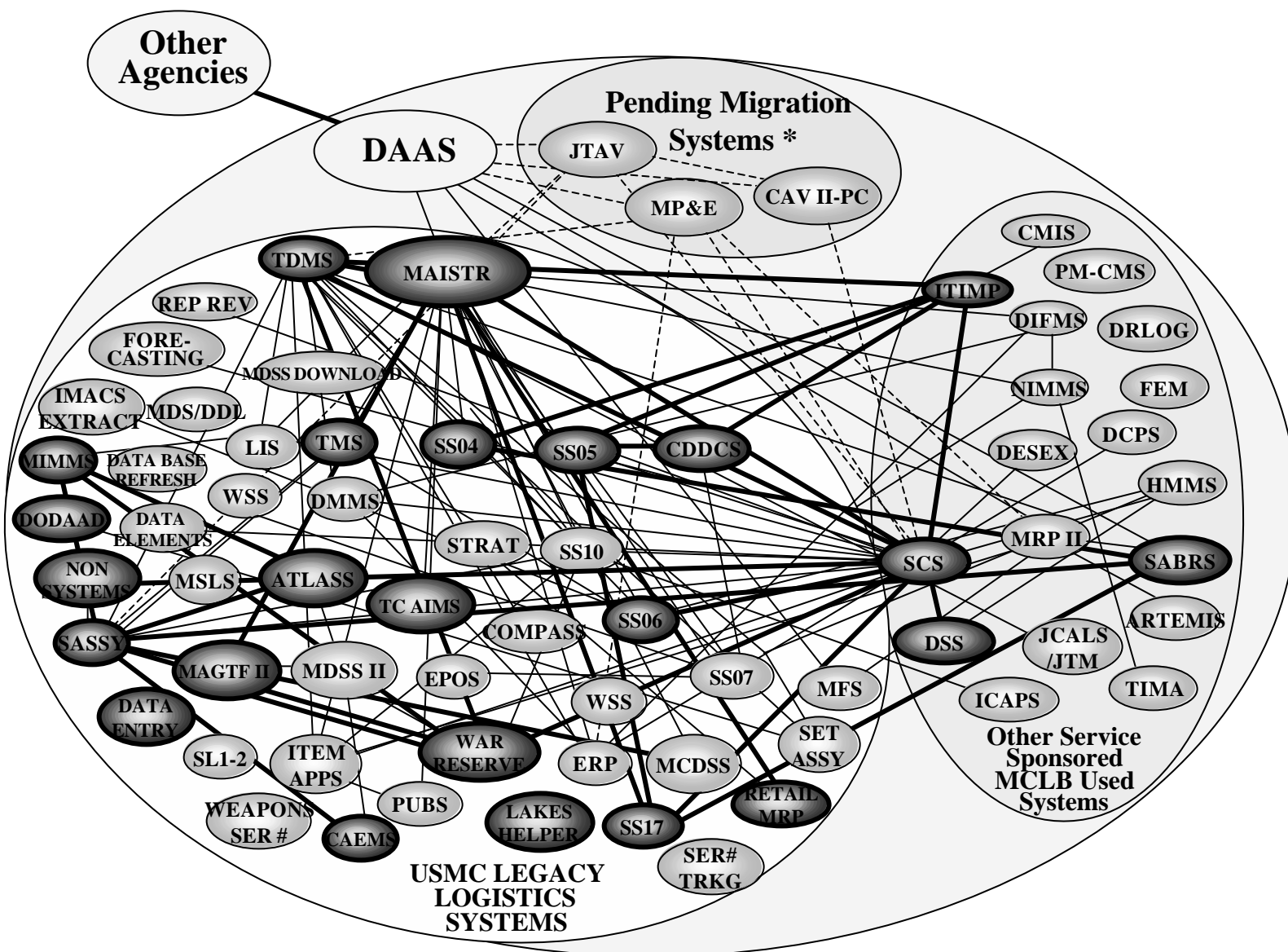
- **World War II**
- **Berlin Airlift**
- **Korea**
- **Vietnam**
- **Desert Storm**

# Help ???



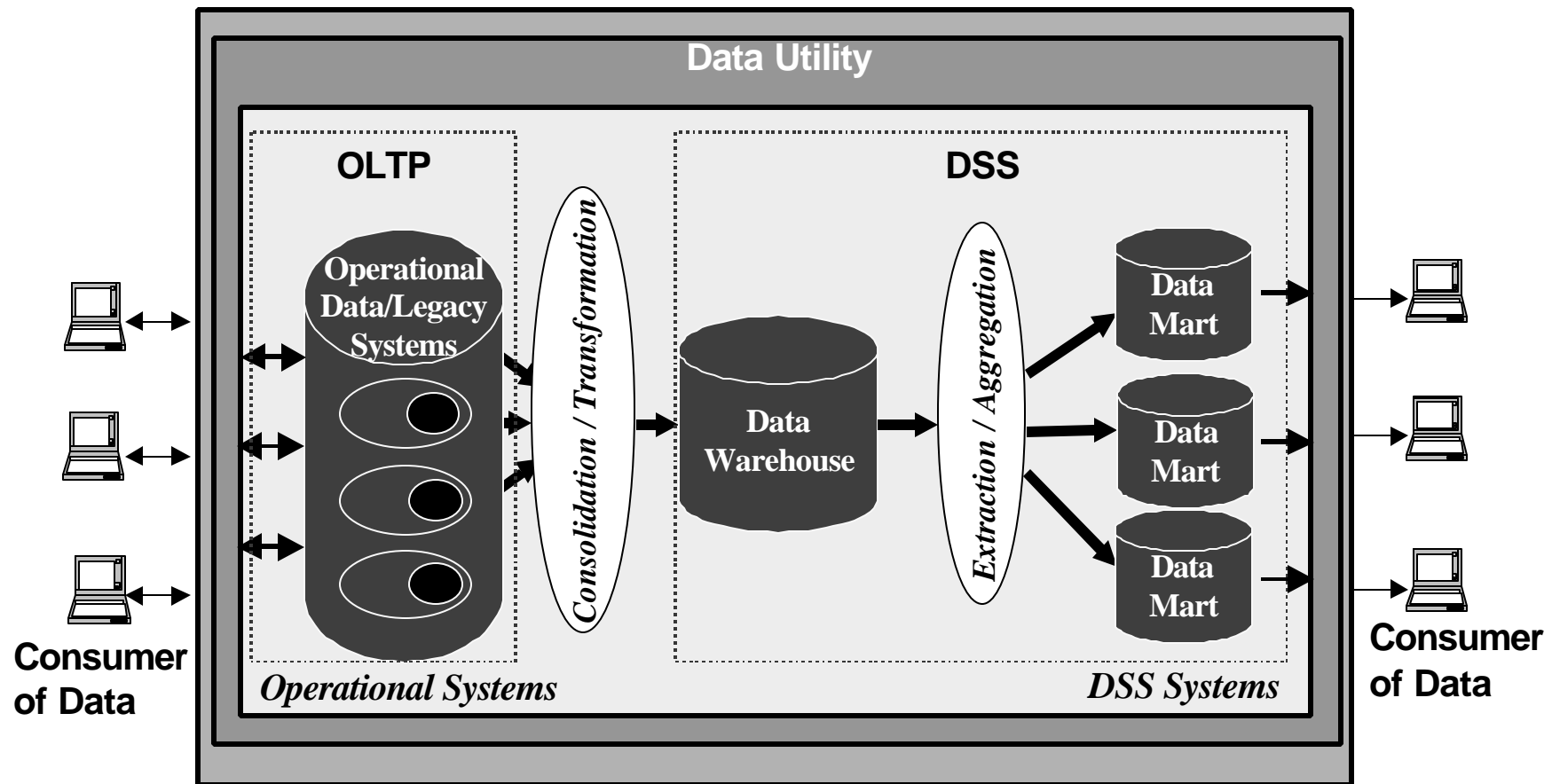


# Mission Critical War Fighting Systems

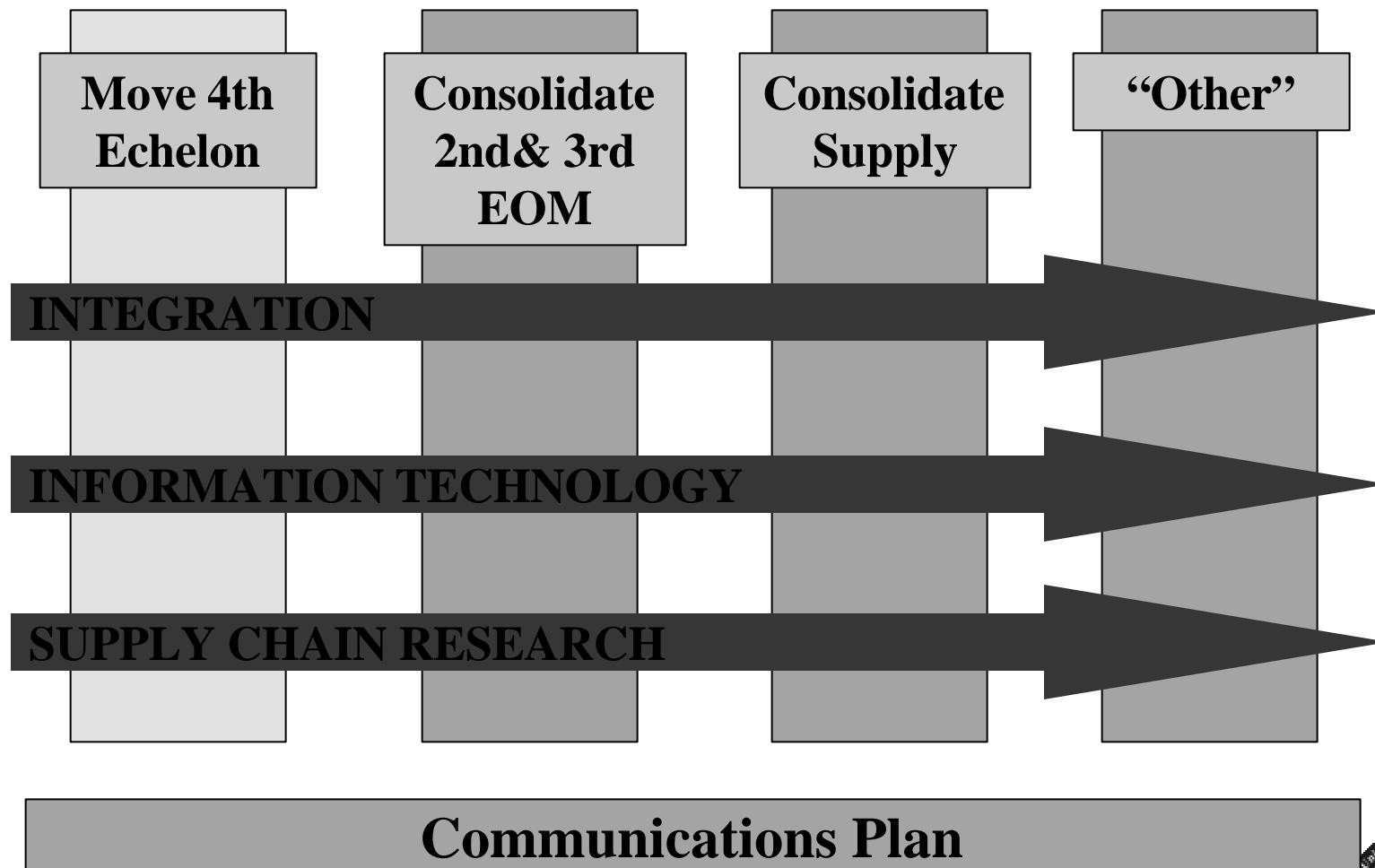


\* Interfaces still under assessment

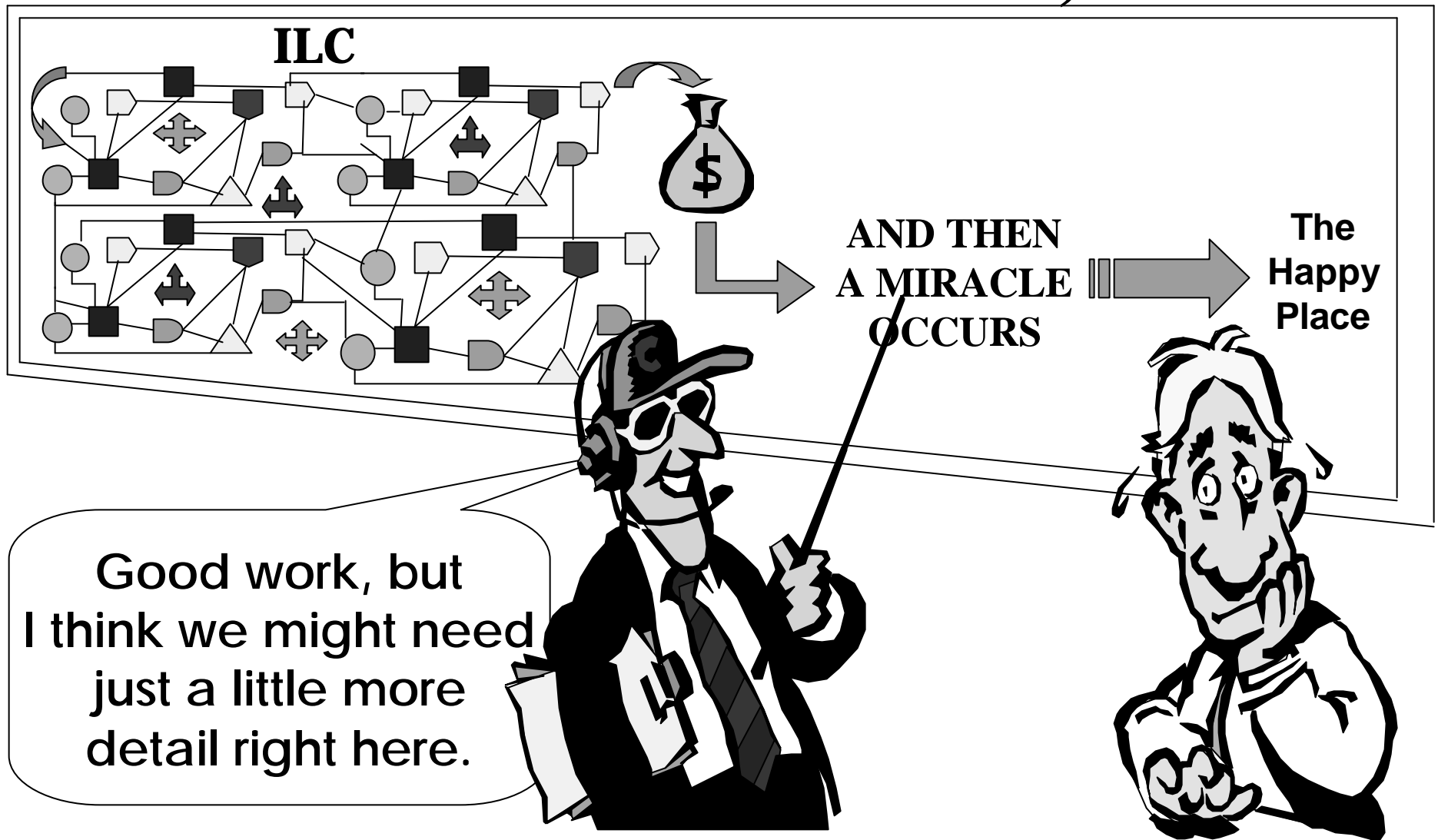
# ILC Logistics IT Environment



# Implementing Approach



# ATAMO (And Then A Miracle Occurs)



# ***Managing Change through Holistic Enterprise Architecture***



## **Using Enterprise Architecture to Manage Change — CIOs' #1 Challenge**

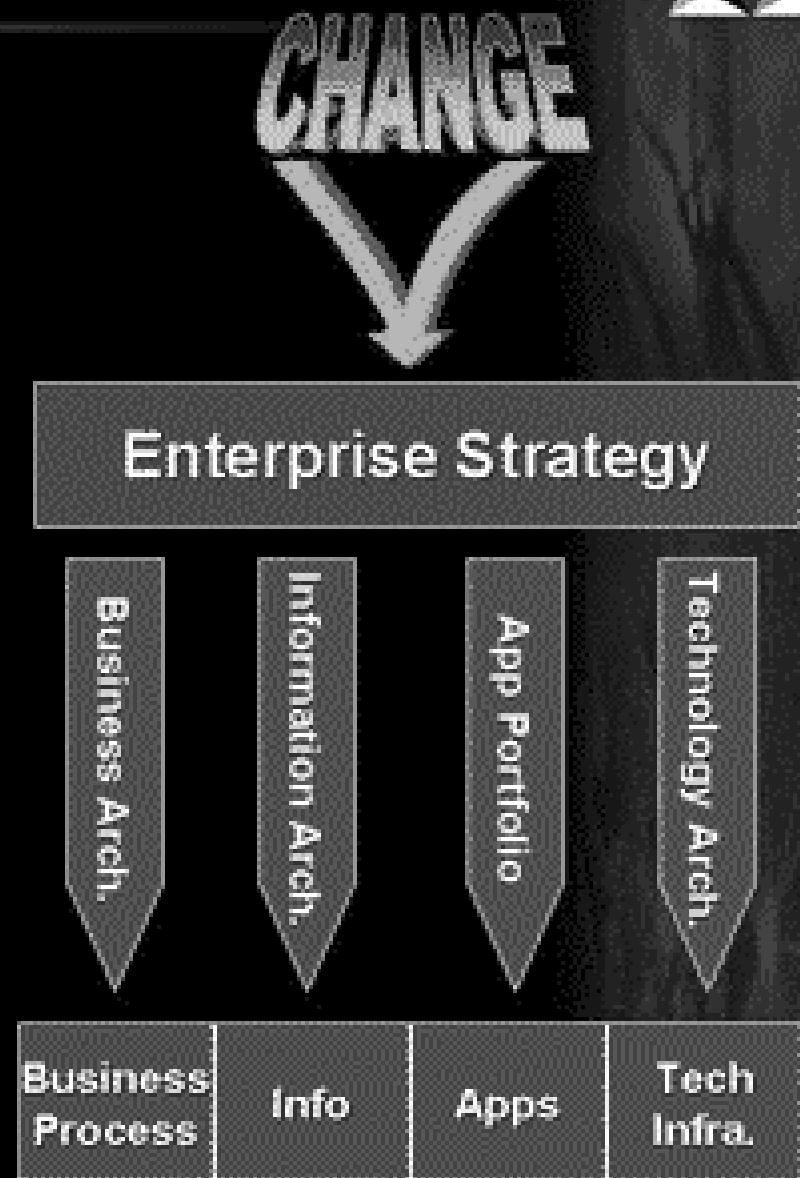
### **▲ Critical Issues**

- ▶ Change is today's biggest challenge in business and IT
- ▶ Change strategies must be better linked to implementation
- ▶ Enterprise architecture provides the linkage

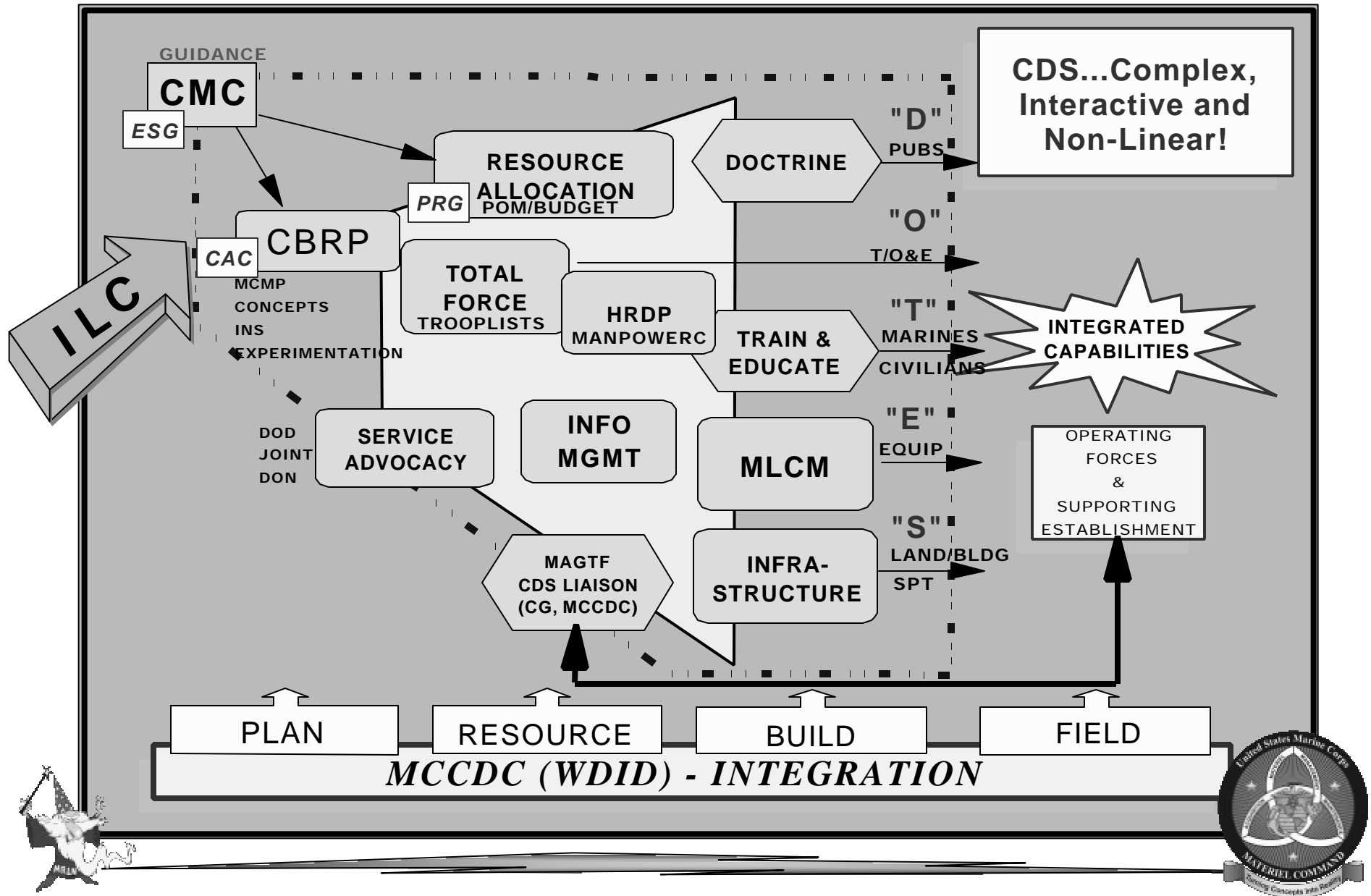
# Confronting Change



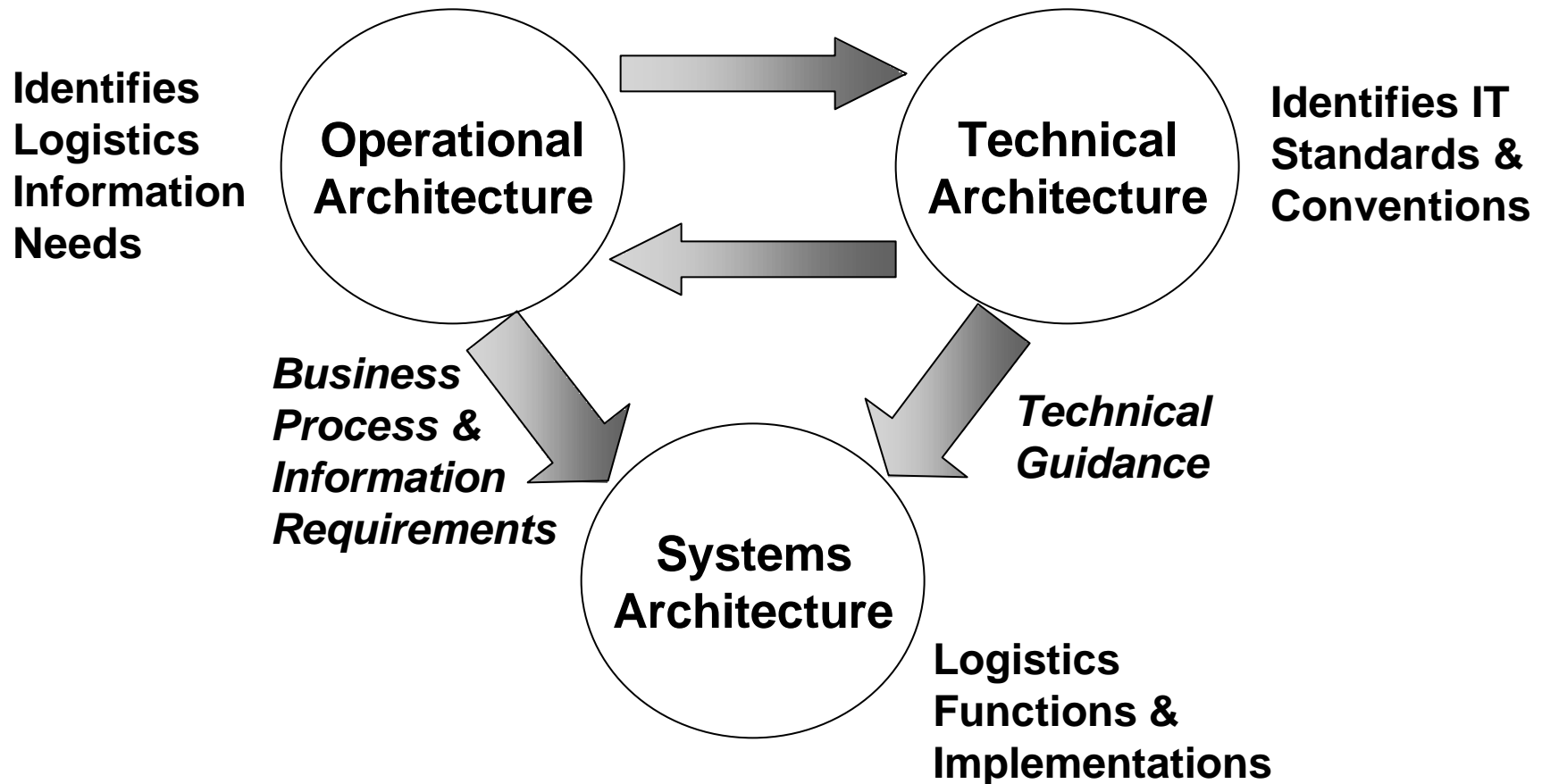
- ▲ To deal with change, an organization must be able to articulate the impact of change on business processes, information, applications, and technology infrastructure



# CDS Overview



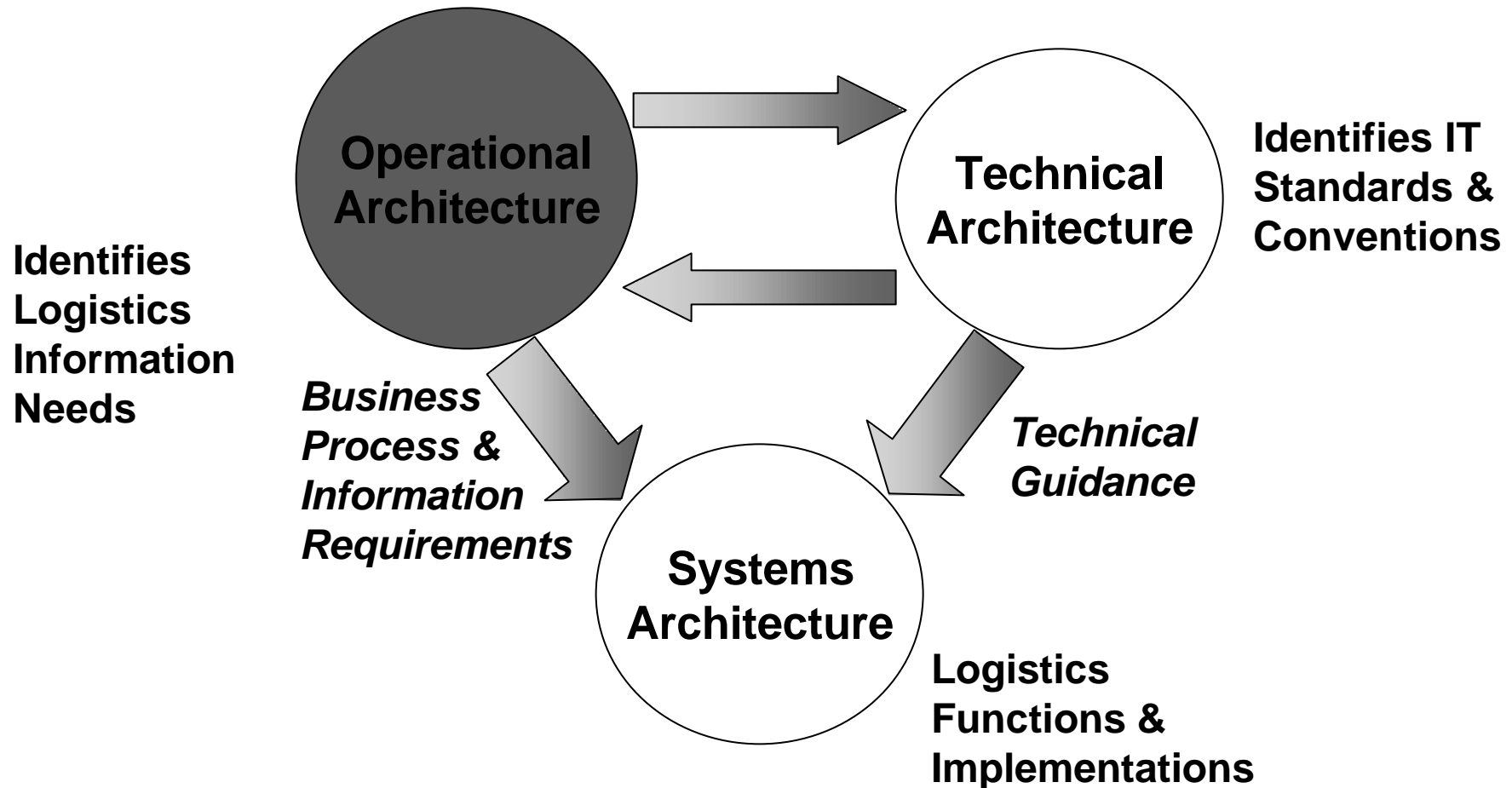
# Logistics Enterprise Architecture Relationship Diagram



*Reproduced from Appendix A of JTA & the DII/COE*

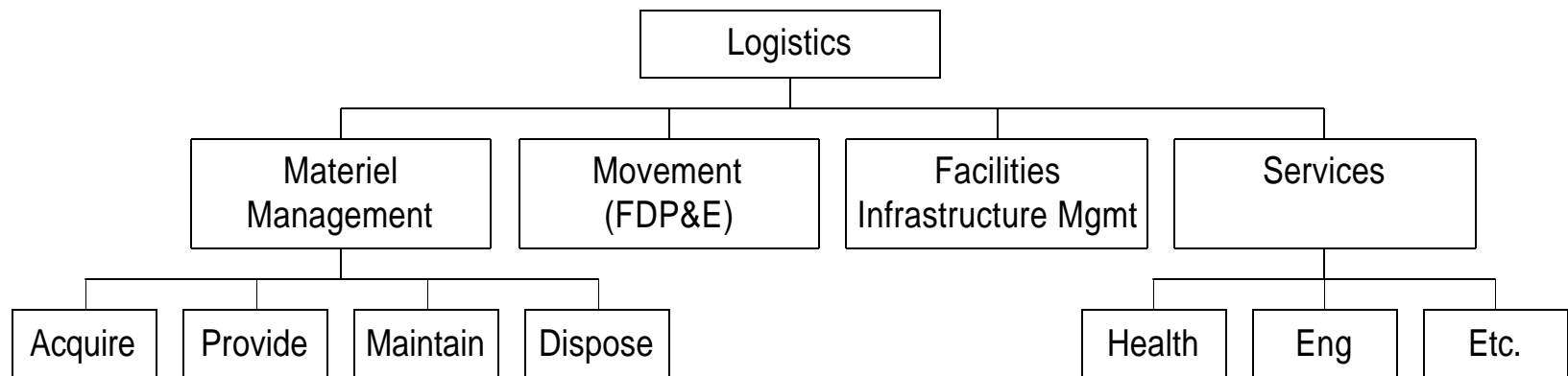


# Logistics Enterprise Architecture Relationship Diagram

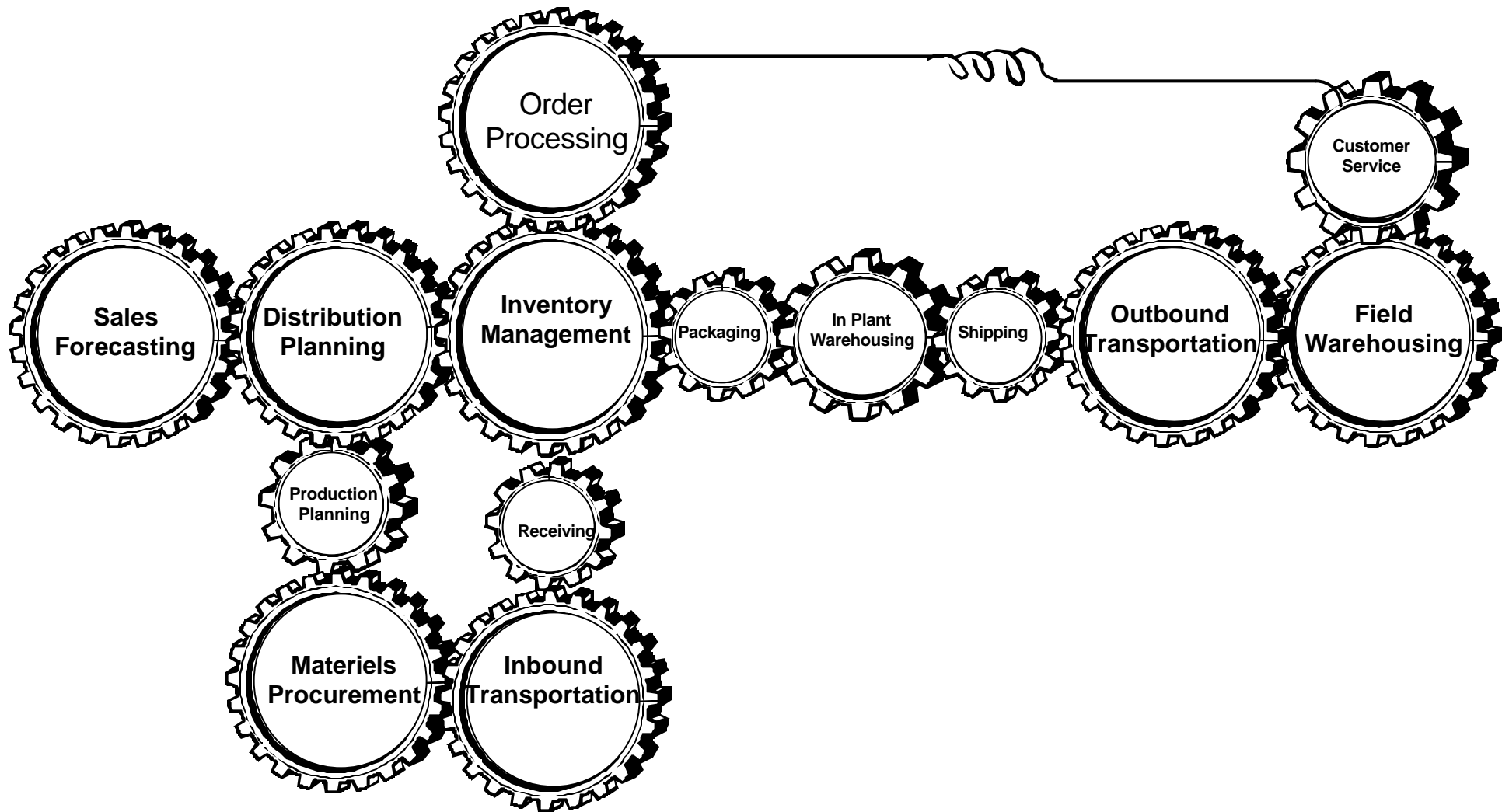


*Reproduced from Appendix A of JTA & the DII/COE*

# Vertical View of Logistics

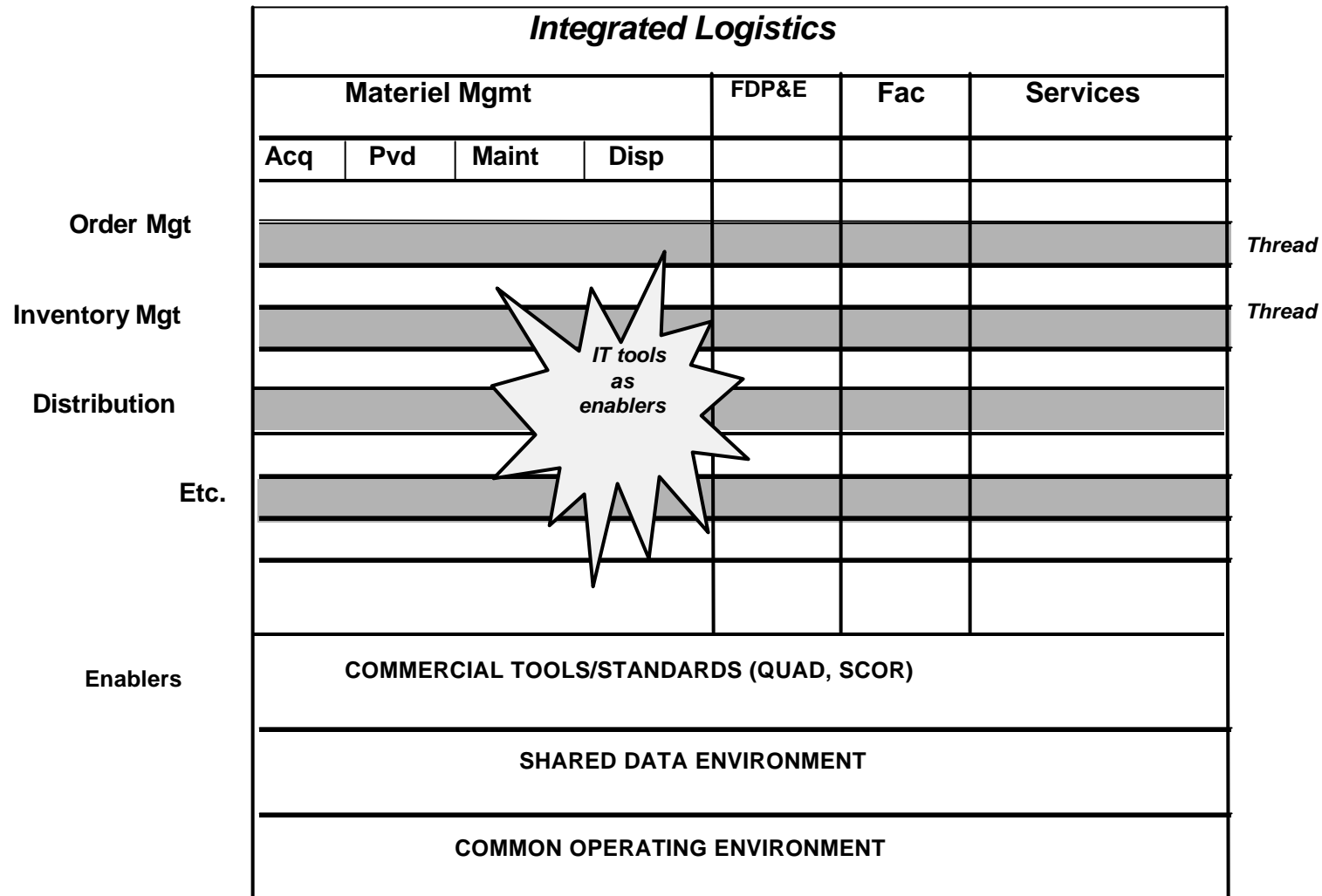


# Supply Chain: The Early Days



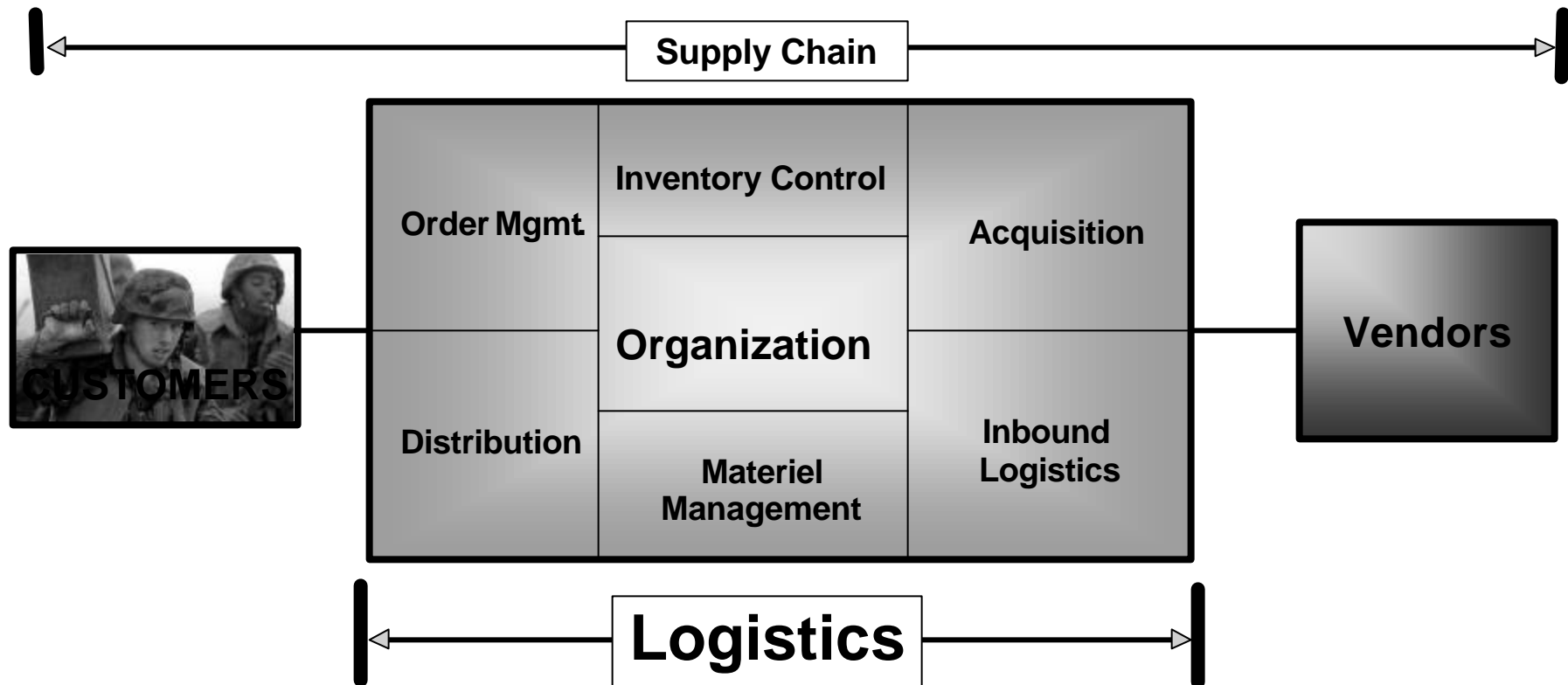
Source: Kotler, Phillip. 1984. Marketing Management: Analysis, Planning, and Control.  
Prentice-Hall, Inc. Englewood, New Jersey

# Integrated Logistics

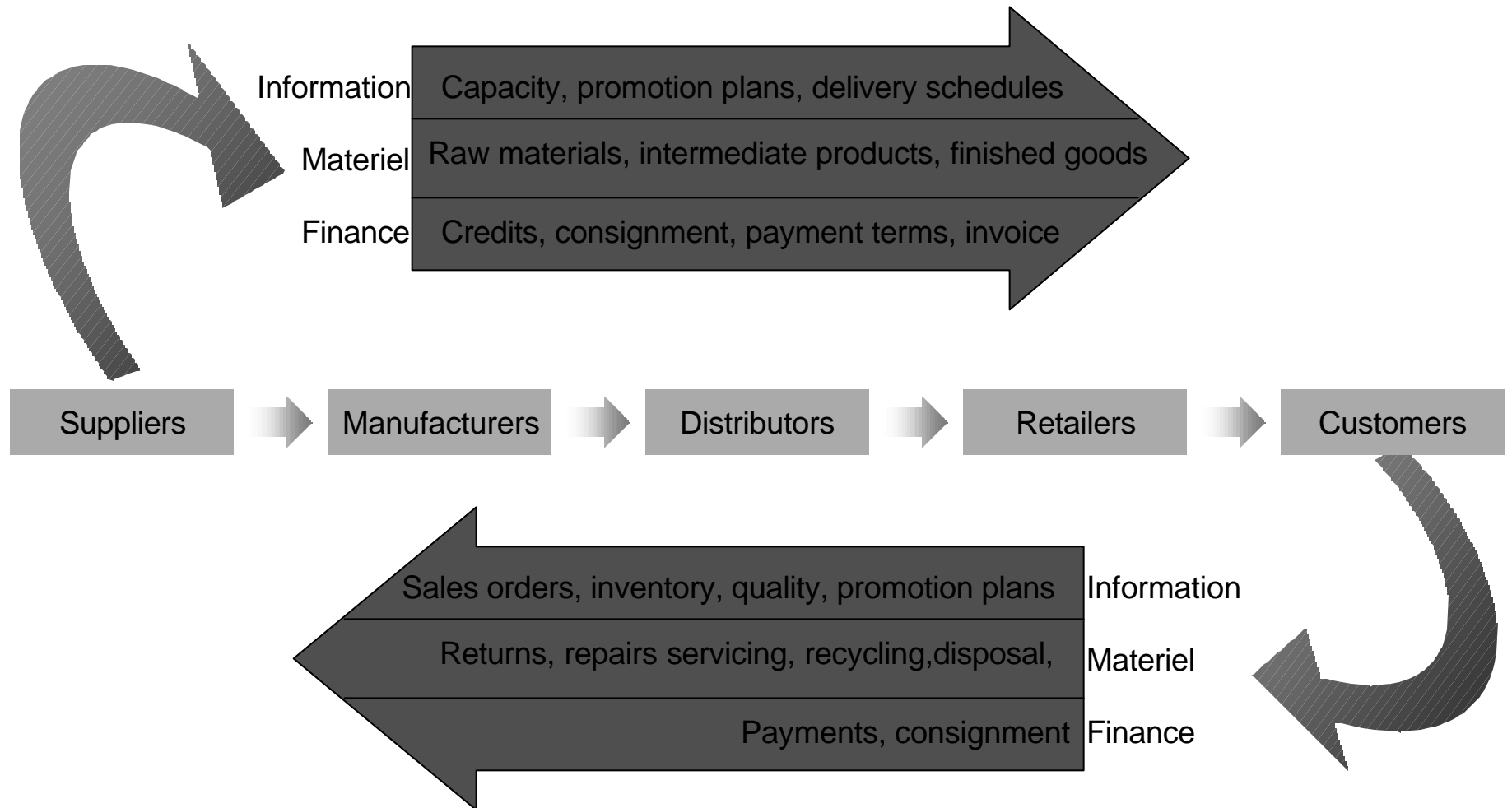


# The Process:

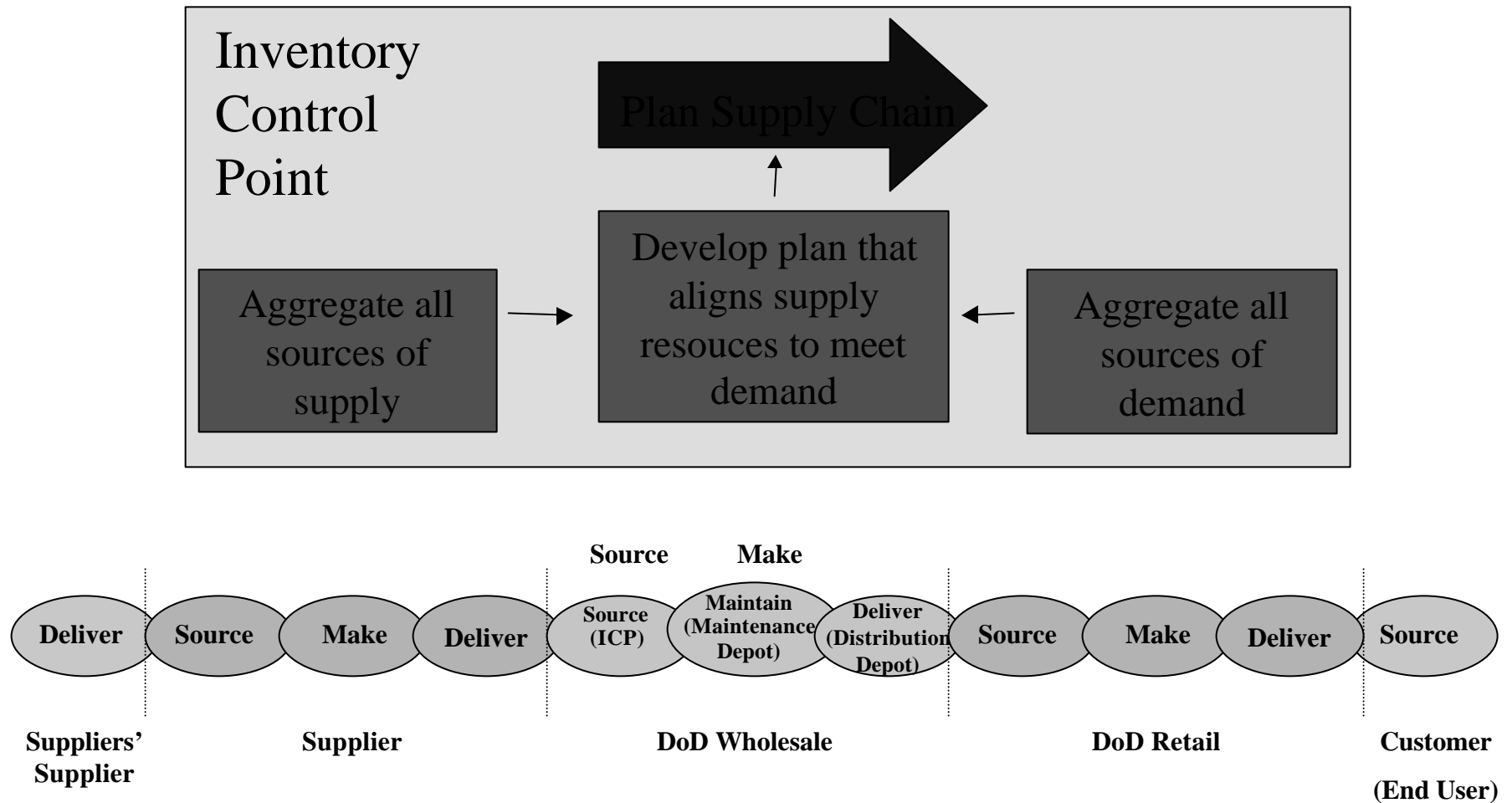
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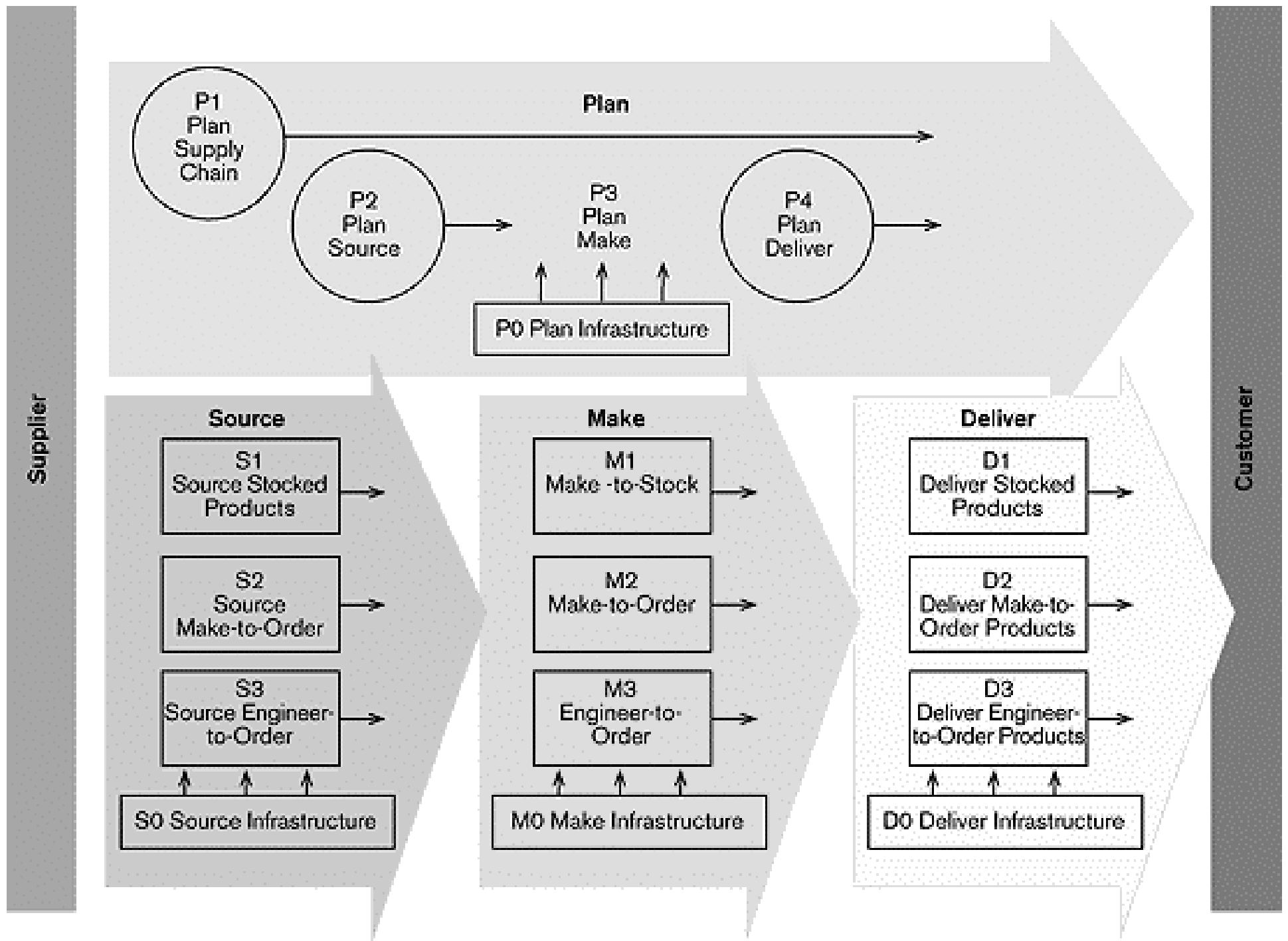
# The Supply Chain Flows



# DoD Supply Chain\*

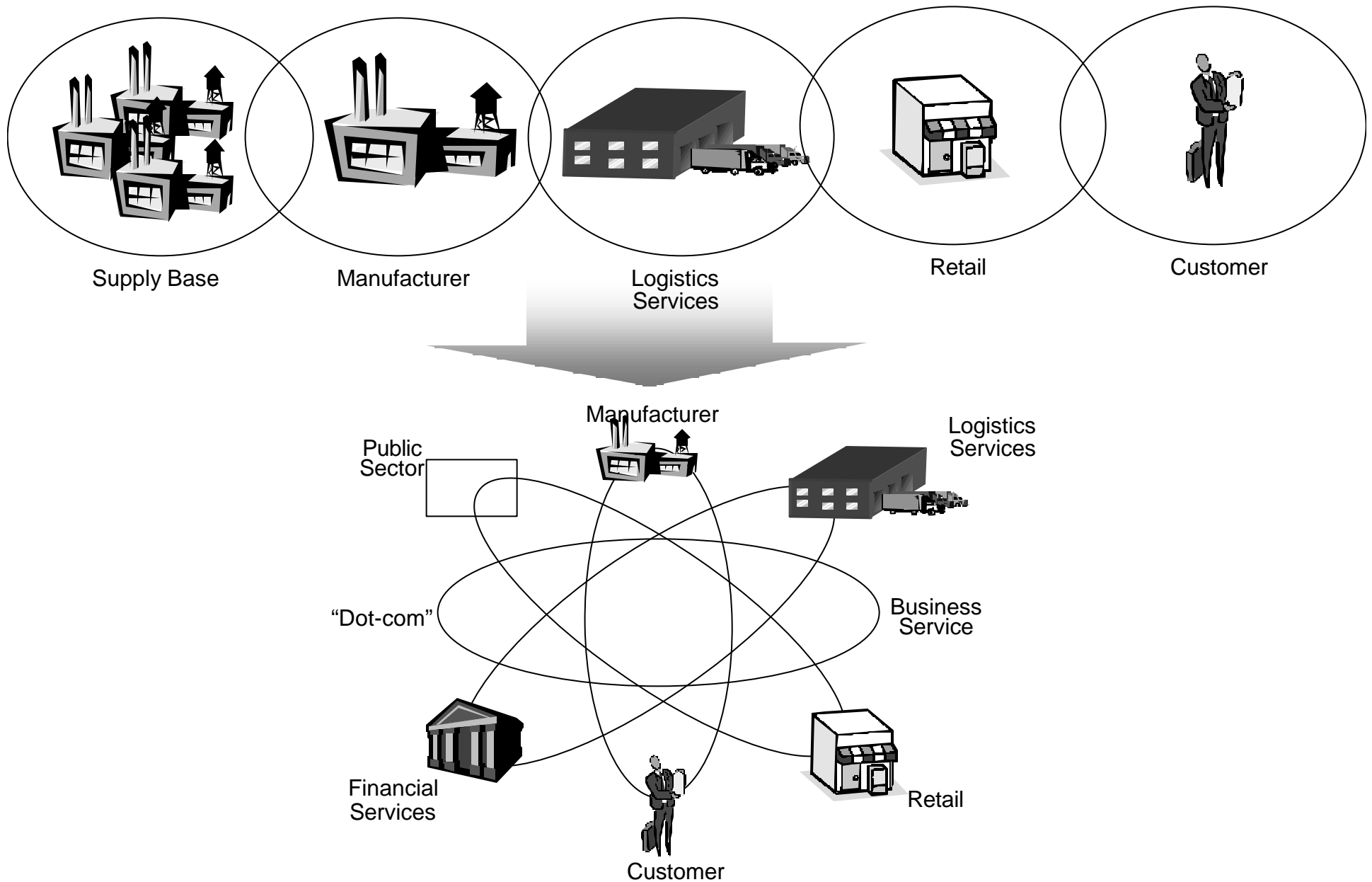


\* Adopted from: Supply Chain Council Operational Relationship Model

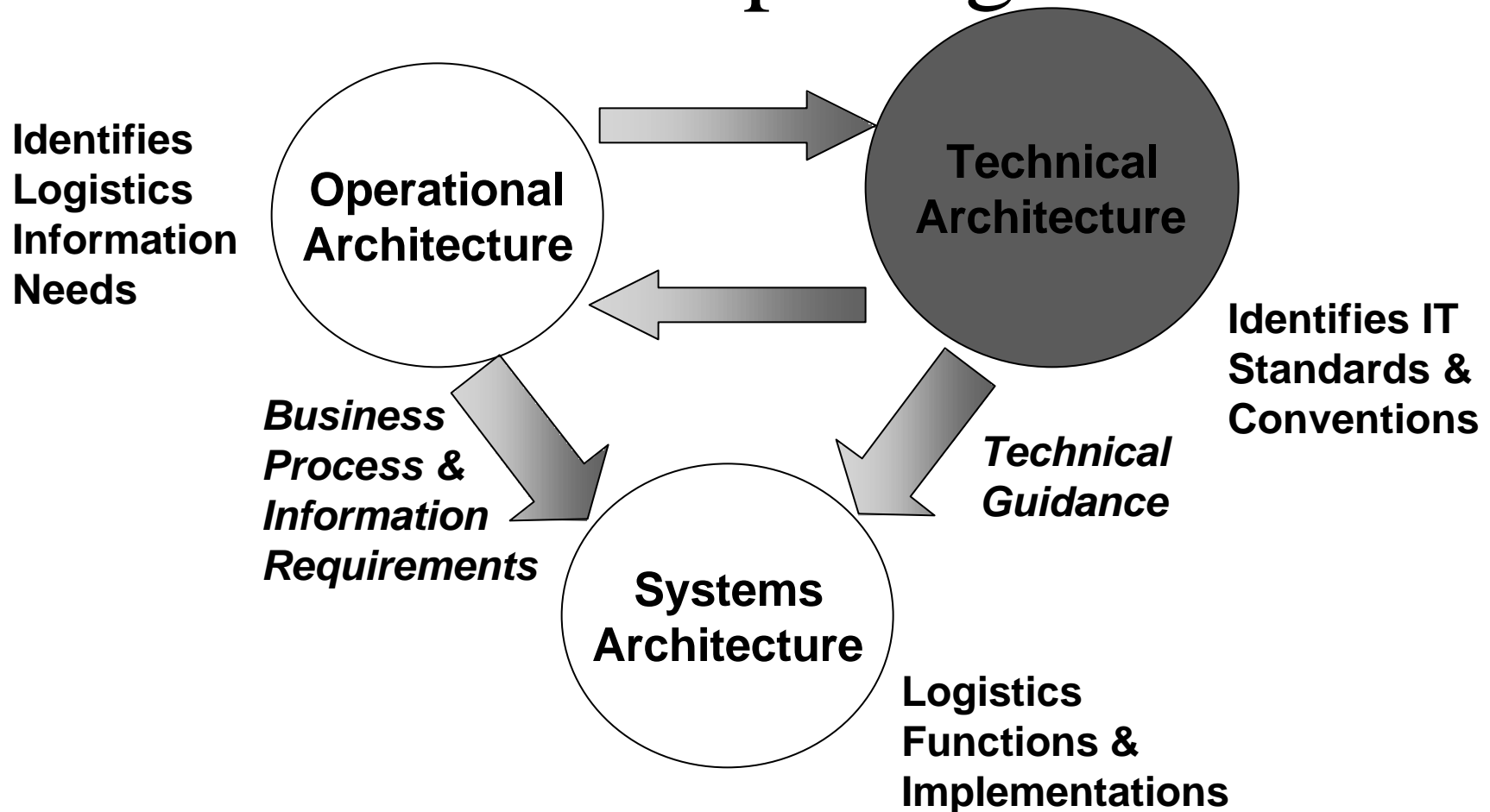




# The e-Business Evolution



# Logistics Enterprise Architecture Relationship Diagram



*Reproduced from Appendix A of JTA & the DII/COE*

# Global Combat Support System

## WARFIGHTING PROCESS

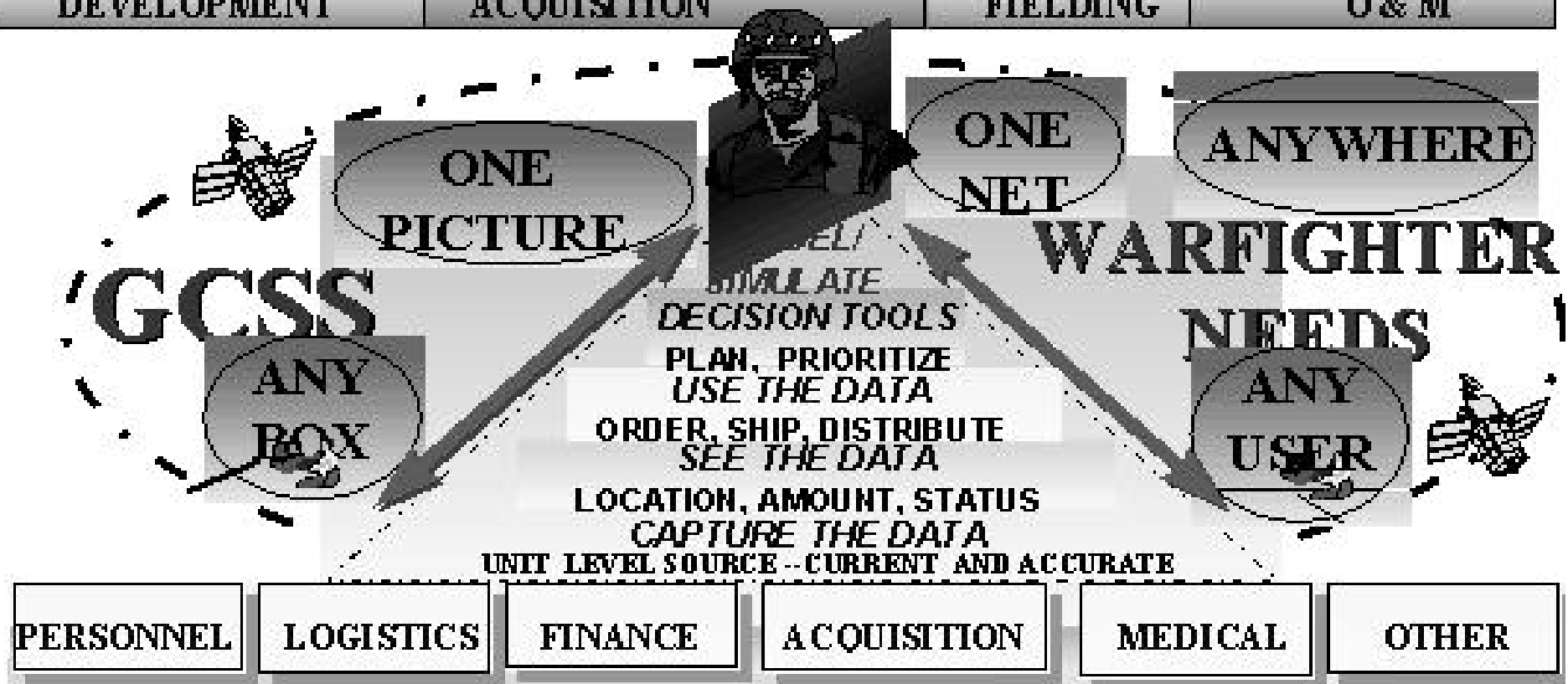
MOBILIZATION	DEPLOYMENT	EMPLOYMENT	SUSTAINMENT	
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## SUSTAINMENT PROCESS

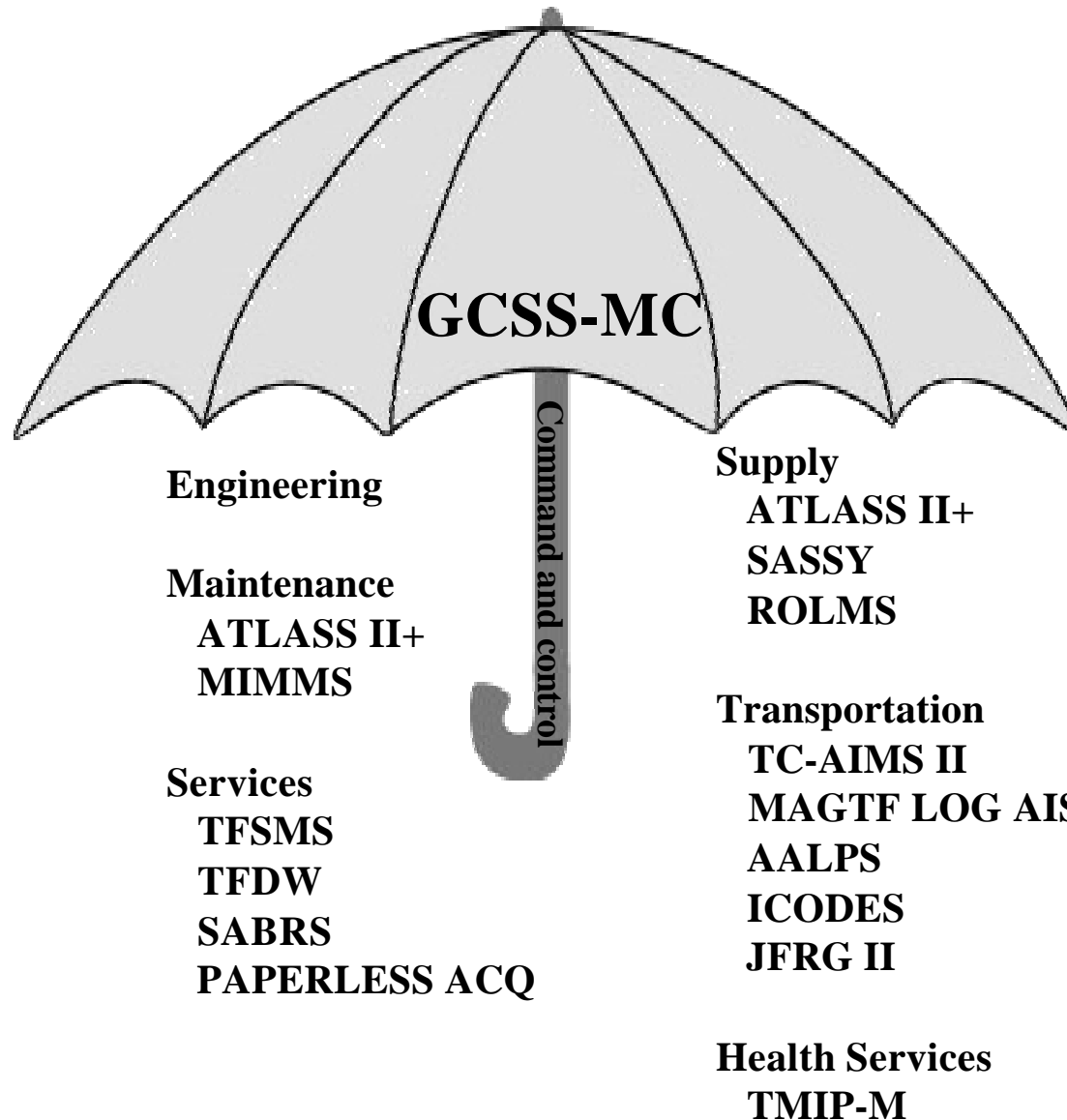
IN-PROCESS	IN-STORAGE	IN-TRANSIT	IN-THEATER
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## WEAPON SYSTEM LIFE CYCLE PROCESS

DEVELOPMENT	ACQUISITION	FIELDING	O & M
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# GCSS Environment



## KEY CHARACTERISTICS

- Any Box
- Any Authorized User
- One Net
- One Picture
- Common Services
- Robust Communication
- Anywhere

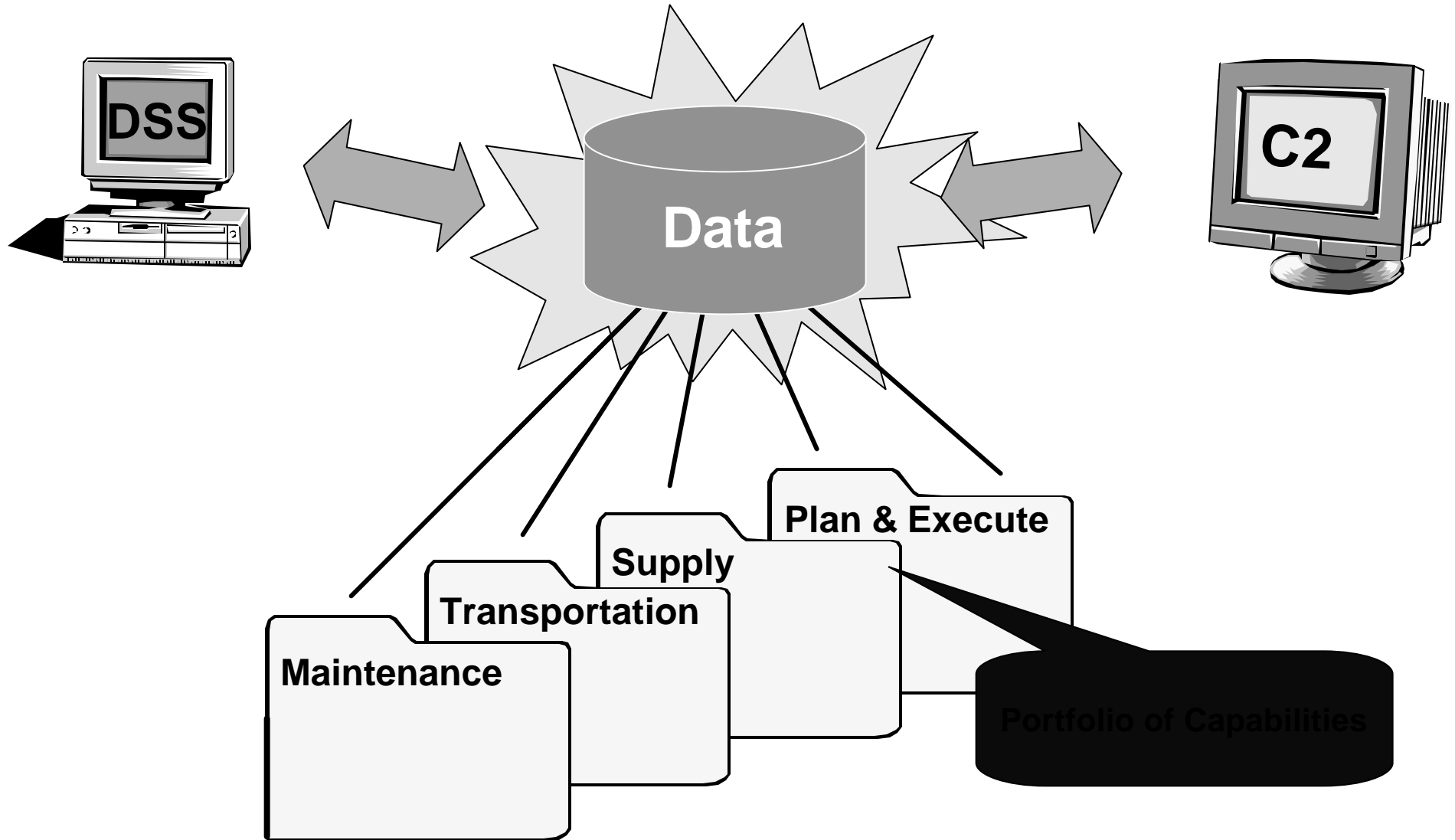
## Enablers

- Shared Data
- AIT
- Smart Cards

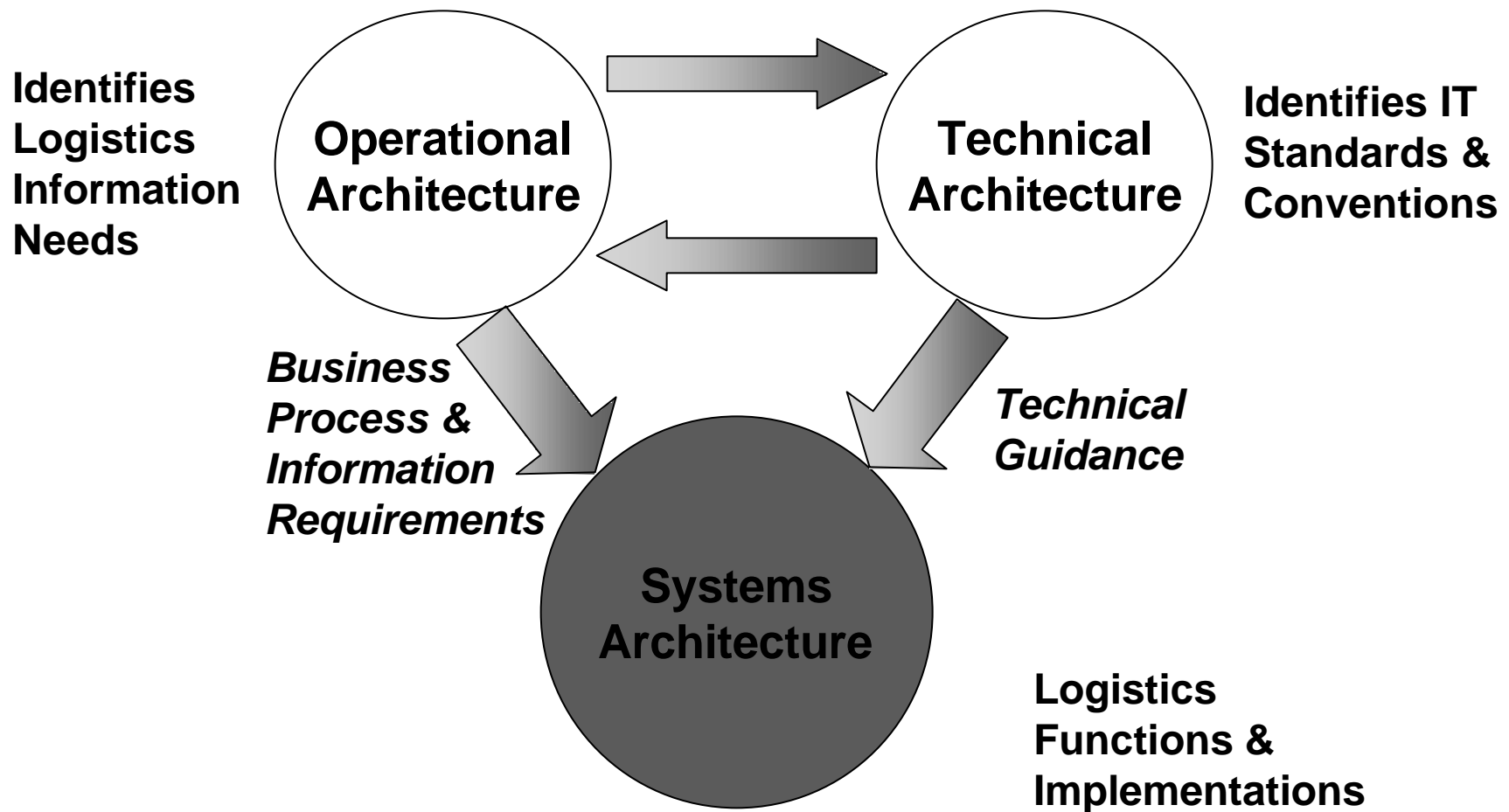
# GCSS COMPONENTS



# Portfolio Management

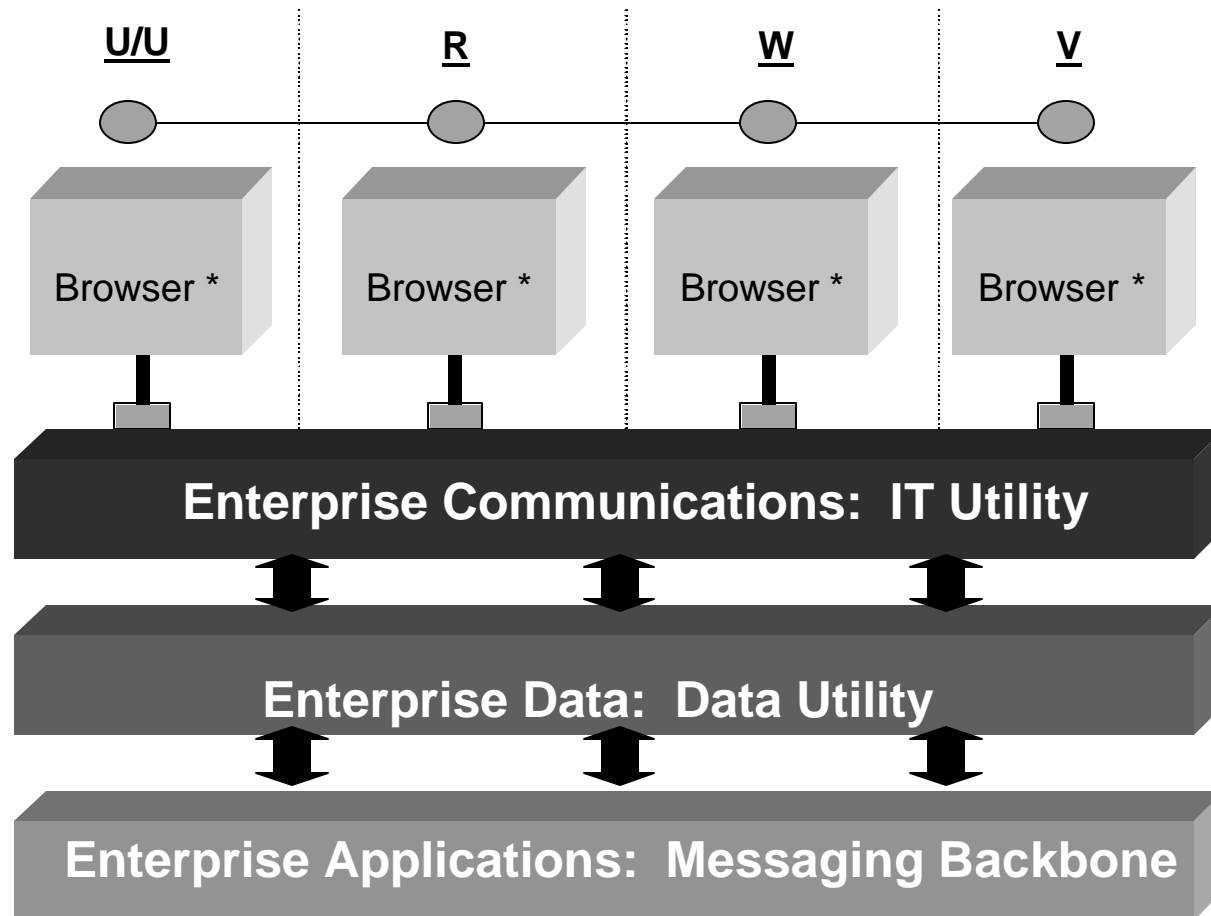


# Logistics Enterprise Architecture Relationship Diagram



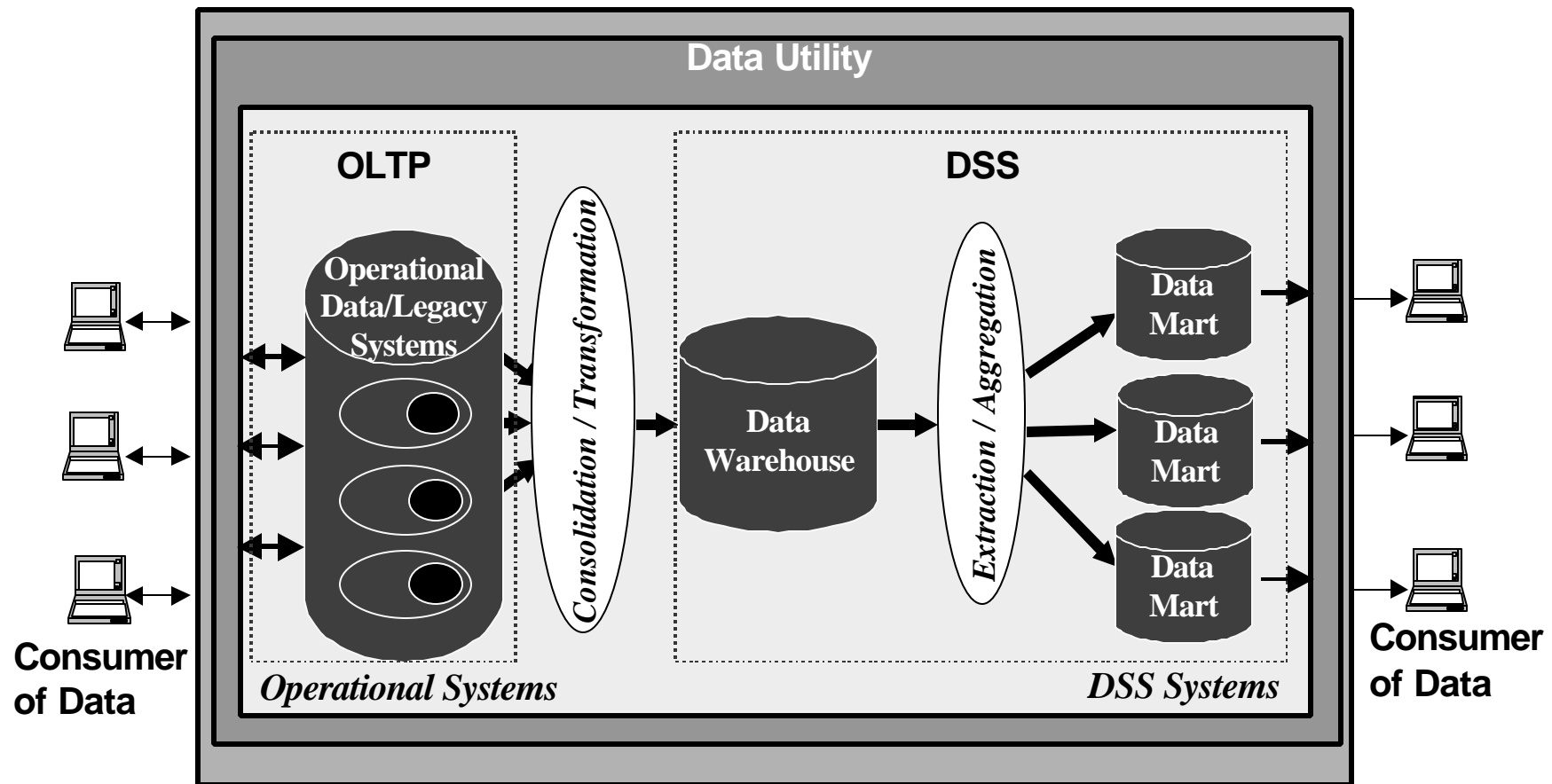
*Reproduced from Appendix A of JTA & the DII/COE*

# Systems Architecture





# ILC Logistics IT Environment

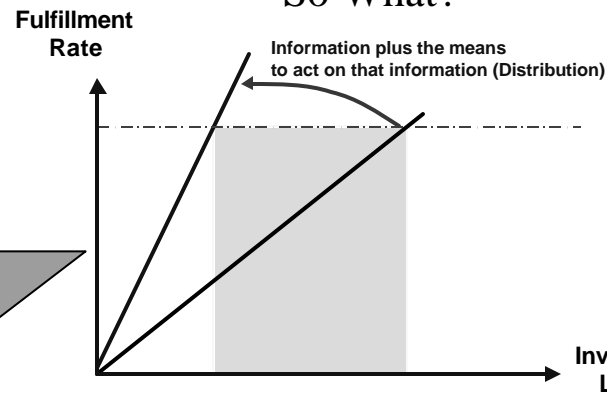


- TRANSFER 4 EOM AND SECREP MGMT TO MATCOM
- SHIFT 2/3 EOM AND U/U SUPPLY FUNCTIONS TO INTERMEDIATE LEVEL

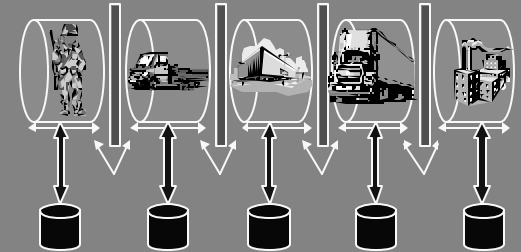
- RATIONALIZE INVENTORY
- UPDATE INV ALGORITHMS

- INFO TECH/  
DISTRIBUTION  
INVESTMENT

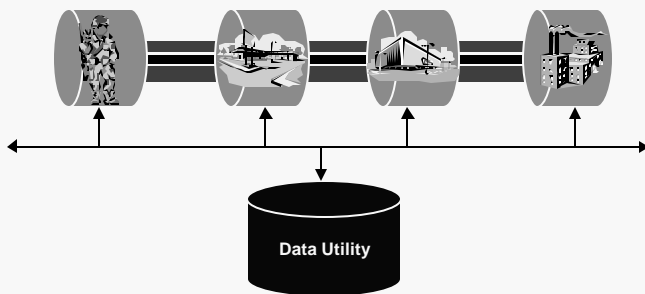
So What?



Supply Chain Today



Information Flow Tomorrow

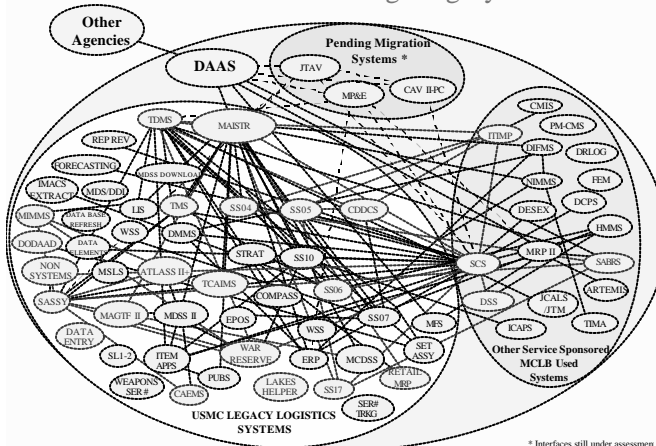


REDUCE INV 40-60%

REDUCE RCT 35%

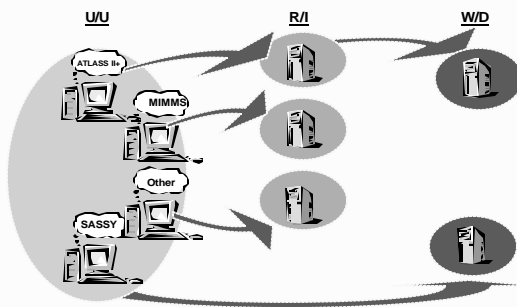
REDUCE FOOTPRINT  
20-70 % SHORT TONS

## Mission Critical War Fighting Systems



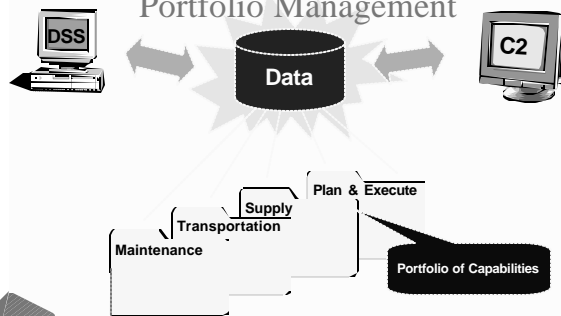
- 140+ Log Systems
- 69 Mission Critical (Y2K Definition)
- \$40 M/Yr Budgeted

Today....

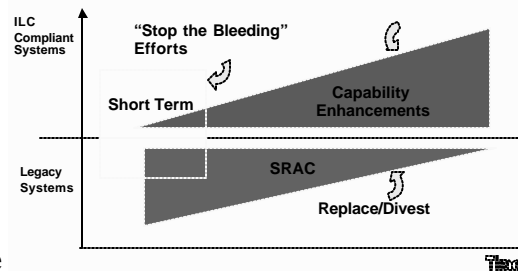


- Burden On Using Units
- Multiple Systems
- Entire Supply Chain Knowledge
- Dilutes Core Competency Focus

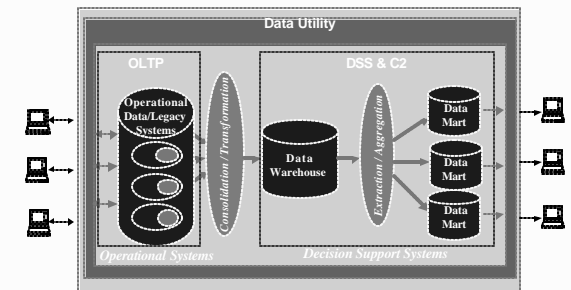
## Portfolio Management



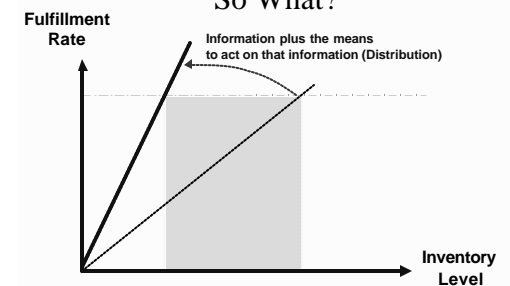
Migration Strategy  
Three Concurrent Tracks



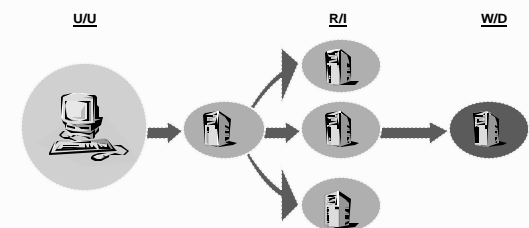
## Technical Architecture



So What?



Re-Architect



- Simplify Using Units Burden
- Rapid Request To Retail
- One Stop Shopping
- Reduced Systems Fielding Costs
- Focused on Core Competencies

# ILC Battleplan

## Prep for Next Phases

10/26/98

**ILC**

2/10/99

### ILC Team Prep

- Leadership Approval
- Program Kickoff
- ILC Organization
- ILC Plan

## Future Phases

### ILC Strategic Alliance

- MCCDC
- MARFORS
- MATCOM
- DC/S I&L

### Supply Chain Business Design

- Which products to which Quadrants?
- Applying the Quadrant Model to Acquisition
- New WRMR and Provisioning Policies
- Slow mover warehouse(s)
  - Location and products?
- Evaluate use of 3PL's

### IT

- Short term approach / Quick wins
- Longer term / End state

### Organizational Transformation Design

- Organizational design
- Roles / Responsibilities
- Measurement / Metric alignment
- Communication
- Training
- Change management





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